

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION OF SOUTH CENTRAL BELL)	
TELEPHONE COMPANY FOR CONFIDENTIAL)	
TREATMENT OF INFORMATION FILED IN)	CASE NO. 90-230
SUPPORT OF REVISIONS TO ITS BILLING)	
AND COLLECTION SERVICES TARIFF)	

O R D E R

This matter arising upon petition of South Central Bell Telephone Company ("South Central Bell"), filed July 20, 1990 pursuant to 807 KAR 5:001, Section 7, for confidential protection of information contained in the Billing and Collection Cost Software Model and Programs on the grounds that disclosure of the information is likely to cause South Central Bell competitive injury, and it appearing to this Commission as follows:

South Central Bell seeks to protect as confidential billing and collection costs filed in support of the tariff revisions for which it is seeking approval in this proceeding. The Billing and Collection Cost Model and Software Programs included in the information identify the cost of billing intraLATA and interLATA messages. This includes the cost of recording, message and billing processing, billing analysis, and billing information extracts.

The Cost Model and Software Programs are economic study analyses which reflect the cost methodology, cost factors, labor rates, and estimates of work time required for maintenance and administration of billing and collections. The costs identified

are primarily central office costs relative to recording or the Automatic Message Accounting process, revenue accounting costs, business office activities, related toll billing service order activities, and the Message Investigation Center.

The cost procedures are a detailed step-by-step analysis of how the operations and capital costs are determined for all the investment and expenses associated with the above-mentioned functions. This includes land, building, computer, automatic message accounting, furniture and office investment in addition to labor and materials directly related to the provisioning of billing and billing related activities.

The information sought to be protected is not known outside of South Central Bell and is not disseminated within South Central Bell except to those employees who have a legitimate business need to know and act upon the information. South Central Bell seeks to preserve the confidentiality of this information through all appropriate means, including the maintenance of appropriate security at its offices.

807 KAR 5:001, Section 7, protects information as confidential when it is established that disclosure is likely to cause substantial competitive harm to the party from whom the information was obtained. In order to satisfy this test, the party claiming confidentiality must demonstrate actual competition and a likelihood of substantial competitive injury if the information is disclosed. Competitive injury occurs when disclosure of the information gives competitors an unfair business advantage.

Because South Central Bell is not an exclusive source of billing and collections services, any company with billing resources can compete with South Central Bell to provide this service. Potential competitors include AT&T, other interexchange carriers, other regional Bell Operating Companies, and credit card companies.

The sensitive financial and statistical data contained in the cost model and programs would be of benefit to South Central Bell's competitors. The information developed at South Central Bell's expense provides competitors a clear picture of the resources required to provide billing and collection services in markets now served by South Central Bell. With this information a competitor could assess its potential in the market and facilitate its decision of whether or not to enter the market. By studying the data, a competitor could determine whether to enter the market based on South Central Bell's cost and investments and when to enter the market based on the demand level for services. In competing for business with South Central Bell, the competitors would have an advantage in bidding their services since they would have few, if any, market research expenses and market development expenses to recover and they could bill below South Central Bell's cost level. Therefore, disclosure of the information is likely to cause South Central Bell competitive injury and the information should be protected as confidential.

This Commission being otherwise sufficiently advised,

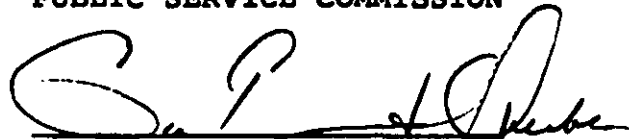
IT IS ORDERED that:


1. The information contained in the Billing and Collection Cost Software Model and Programs, which South Central Bell has petitioned be withheld from public disclosure, shall be held and retained by this Commission as confidential and shall not be open for public inspection.

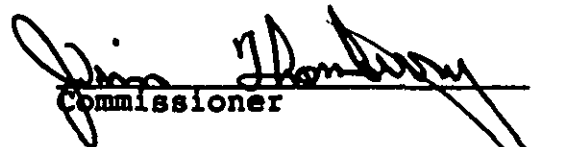
2. To the extent that it has not already done so, South Central Bell shall, within 10 days of the date of this Order, file an edited copy of the information with the confidential material obscured for inclusion in the public record, with copies to all parties of record.

Done at Frankfort, Kentucky, this 17th day of August, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director